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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Philippines

SUBJECT New Mining Organization Formed/Mining Developments

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1. "Stockholders of Philippine Iron Mines, at a special meeting recently, approved a resolution increasing the capital stock of the iron mining corporation from P1 million to P 7,500,000.
2. "Company stockholders also approved a resolution declaring a 20% stock dividend, payable to stockholders on record as of 1 Apr 54. Shares of the firm were traded 'ex-stock dividend' on the floor of the Manila stock exchange beginning 31 Mar 54.
3. "Directors of the company, at their regular meeting, approved the declaration of a five percent cash dividend on the par value of the company's shares of stock.
4. "The leading operators of base metal mines have formed an association to protect and promote the interest of the base metal mining industry in the Philippines. The new organization is named 'Base Metals Association of the Philippines'.
5. "According to the articles of incorporation of the association which were fixed with the securities and exchange commission, the principal purposes of the organization are to promote and encourage the production, use and sale of base metals in the country, as well as to assist in the exploration and development of base and metal reserves. The association will also undertake the dissemination of proper and correct information on mining, producing and marketing of these metals.
6. "Members of the board of directors of the association were elected as follows: Marino Olondriz, representing Consolidated Mines, Inc; OA Boni, Philippine Iron Mines, Inc; Anthony M MacLeod, A Soriano y Cia; Bernard Brandt, Luzon Stevedoring company; Jesus S. Cabarrus, Acoje Mining company; Manuel Elizalde, Elizalde & Co, Inc; and Col CM Smith, Atlas Consolidated Mining Co.

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- 2 -

7. "Philippine Iron Mines at Larap in Camarines Norte, broke the record last month as far as delivery of ore to the various Japanese steel mills is concerned, inasmuch as 81,759 wet metric tons were delivered. This ore averaged 56.88% Fe and 0.655% S.
8. "The production during the same period was 74,057 wet metric tons, of which 33,437 tons were mined from Pit No.2, 15 thousand tons from other sources in the mine, 4,979 tons by contractors and 4,559 tons from outside properties. In addition to this 17,557 tons were produced by the underground.
9. "The stripping operation resulted in 180,731 cubic yards removed, out of which 122,897 cubic yards were stripped from Pit No 2 area. The main hoist is installed. Three slusher drifts have now been opened and drawholes are being driven. The main haulage way was extended to the west for the purpose of mining that ore and also to serve as a glory hole which is to be driven to the surface. On the 195' level, a lateral advance of 130 feet was made in ore and on the 250' level, 469 feet. The vertical advance was 40 feet on the 195' level and 195 feet on the 250' level.
10. "Various improvements have also been made at the heavy media plant. A belt conveyor has been installed instead of bucket conveyor, and the delivery bin moved to a more suitable place. Also, the feeding facilities of this plant have been improved. In the low grade area, an area of mineralization is being developed with indications being very favorable. Pit I continues to produce some excellent ore from an unexpected location which also looks favorable for future work. Additional pumping capacity has been added to the underground by the installation of 250 HP. A third pump added to the underground with the arrival of a 200 HP deep well pump. With these pumps installed, it is very unlikely that recurrence of underground flooding will occur.
11. "Surigao Consolidated Mining Company in Surigao Mindanao, has lowered its mill-heads to 0.3 ounces per ton by mining out old upper stopes during dry season. In mining out the ore between the 400' and 500' levels, several blocks in the edge of the ore body are being included, with the result that the grade is considerably reduced. While this low grade ore does not produce a profit, its inclusion has decreased the amount of gold produced in comparison with previous months. Previously it would not have been economic to mine this low grade ore and it is possible now only because production costs have been materially lowered. It is necessary that this be mined as the 500' level tunnels are becoming increasingly heavy and maintenance of these will, in time, become prohibitive. It is necessary, therefore, to extract all the ore possible before this condition occurs.
12. "The remaining high grade ore above the 500' level is also being extracted. Ore also is being extracted from the higher grade portion of the ore body above the 600' level, but tonnage produced from these two areas will not be sufficient to counterbalance the low grade which is being mined in the edge of the 500' level."

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